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April 30, 1999

EX PARTE

Magalie R. Salas, Secretary
Federal Communications Commission
The Portals Building
445 12th Street, SW
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Washington, D.C. 20554

RECEIVED
APR 30 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket No. 98-141

Dear Ms. Salas:

The attached letter was sent this 30th day of April, 1999, to Thomas Krattenmaker of the Office of Plans and Policy, and to Robert Atkinson and Michael Pryor of the Common Carrier Bureau.

Sincerely,



W. Kenneth Ferree
Attorney for OpTel, Inc.

cc: Thomas Krattenmaker
Robert Atkinson
Michael Pryor

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April 30, 1999

EX PARTE

Thomas Krattenmaker
Office of Plans and Policies
Federal Communications Commission
The Portals Building
445 12th Street, SW
Washington, D.C. 20554

Robert Atkinson
Michael Pryor
Common Carrier Bureau
Federal Communications Commission
The Portals Building
445 12th Street, SW
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket No. 98-141

Dear Sirs:

OpTel, Inc. ("OpTel") offers the following discussion and draft merger condition for your consideration in the context of the proposed combination of SBC Communications Inc. ("SBC") and Ameritech Corp. ("Ameritech").

Establishing a single point of interconnection at multi-tenant environments ("MTEs") is critical to the furtherance of facilities-based competitive choice by the tenants of MTE properties. Currently MTEs, which include campus and high-rise residential and commercial complexes, feature multiple points of interconnection that generally are inaccessible to new providers seeking to serve customers. Quite simply, a non-incumbent provider normally must build redundant facilities from the property line to the customer. Service to a single customer thus can cause the carrier to incur prohibitive financial costs to build out facilities across the property. Duplicating this cost for each additional or potential customer at the property is impractical, if not impossible, in virtually every case. Moreover, costly build-outs come at great

expense to the property itself — the competitive carrier would have to trench and rewire to the detriment of the aesthetics and safety of the property, a situation no property owner wants, especially where service might only be to a single customer. Finally, redundant cabling is impractical at many properties, especially high rise buildings, where there is limited riser cable conduit space available. These barriers to entry are contrary to the basic principles of competition and should be eliminated so as to make facilities-based local exchange service competition a reality for both business and residential customers in MTEs.

Accordingly, SBC and Ameritech should commit, as a condition for Federal Communications Commission ("FCC") approval of their proposed combination, to facilitate access to individual customers in MTEs by adhering to the following principles and policies (applicable throughout their, and their respective affiliates', markets):

1. The on-property network at new MTEs and at MTEs that are substantially rebuilt after the SBC-Ameritech combination shall be configured to a single point of interconnection ("SPOI"). For all other MTE properties, an SPOI shall be established upon election of the incumbent carrier or a competitive carrier, or upon a *bona fide* request by the building owner/manager or a telecommunications carrier as its agent.
2. SBC and Ameritech (and their respective affiliates) shall allow property owners/managers to determine the location of the SPOI, so long as it is at a point that is reasonably accessible and competitively neutral at or near the minimum point of entry ("MPOE") on the property. For single buildings, this generally will be at the utility closet on the basement or first floor; for multi-building properties, this generally will be in a utility closet or other structure closest to where trunk lines cross the property boundary line. The SPOI shall be constructed with a neutral cross connect box permitting pin and jack coordination that would enable multiple carriers to serve customers at the property.
3. SBC and Ameritech (and their respective affiliates) will, at the request of another carrier, reconfigure an existing MTE property to an SPOI. Requests for the establishment of an SPOI shall be implemented by the incumbent carrier serving the property in the most expeditious and cost effective manner possible. Absent agreement of the affected parties to an alternative schedule, the SPOI shall be established within (a) 120 days for multi-building (campus) properties or (b) 60 days for single building properties.
4. If the carrier requesting the reconfiguration of the property elects to perform the work to establish the SPOI, SBC and Ameritech (and their respective affiliates) will cooperate with the requesting carrier and facilitate the reconfiguration in the most expeditious manner reasonably possible.

5. The initial cost of reconfiguring a property to an SPOI shall be paid by the party making the request. Within five years of the establishment of the SPOI, any subsequent carrier (including an incumbent LEC) that obtains access at such SPOI shall reimburse, on a *pro rata* basis, the carrier that initially paid for such SPOI establishment.

6. Where an existing property has been reconfigured to an SPOI, cost recovery for the incumbent carrier's existing facilities that have not been fully depreciated may, consistent with applicable state and federal laws, be determined using an accelerated depreciation methodology.

7. The existing carrier serving the property and any other carriers seeking access to the property through the SPOI shall work with the property owner/manager to determine the location of the SPOI site and shall use, wherever possible, existing easements and rights of way.

8. Following reconfiguration, the owner of the on-property wire may assess a charge for the use and maintenance of such wire, but such compensation shall be fair, reasonable, uniform, nondiscriminatory, and cost-based.

Sincerely,



Michael E. Katzenstein
Vice-President and General Counsel
OpTel, Inc.